

April 30, 1849. The capital of the bank was 600,000 francs, and up to 1901 it had distributed dividends amounting on the average, in spite of some serious losses in 1896 and 1897, to eight per cent, annually.¹ The great extension of French interests in West Africa, however, required an institution of larger capital and wider scope. This was provided by the Bank of West Africa (*BanquedeV Afrique Occidentals*), which was incorporated soon after the revision of the colonial general banking law in 1901. The new institution was created with a capital of 1,500,000 francs (\$300,000) fully paid up. Of this amount 900,000 francs was issued to the shareholders of the Bank of Senegal at the rate of 150 per cent, for the nominal value of their shares. The Bank of Senegal was thus fused completely with the new institution, which soon took measures to increase its capital to approximately 6,000,-ooo francs.² The Bank of West Africa serves a wide area of country, over which it has extended its branches as rapidly as conditions permitted. The circulation rose from 3,658,500 francs on June 30, 1904, to 6,943,525 (\$1,340,000) on June 30, 1906. Cash resources on the earlier date were 3,604,227 francs and on the later date 3,427,198 francs (\$662,000).³

The Bank of Reunion—an island east of Madagascar—was founded July 4, 1853, under the colonial banking law of 1849, with a nominal capital of 4,000,000 francs. The bank was very successful for several years, showing average discounts for the five years ending with 1860 of 18,539,000 francs (\$3,575,000). The sudden drop in the sugar market in 1857-8 was met by raising the discount rate to seven per cent, and reducing advances to 4,000,000 francs, and was passed without loss. * The authority granted the bank in 1870, to lend on merchandise to its full value, was abused and caused some losses, but did not prevent the declaration of dividends

¹ Goutnain-Cornille, 161.

² The amount actually taken up to January 28, 1906, was 5,986,500 francs—*Economists Eu^op&en*, August 2, 1907, XXXII., 140,

³ *Economists Europ&en*, May 26, 1905, XXVII., 650, and August 2, 1907, XXXII., 139.

⁴ Denizet, *Les Banques Coloniales*, 163-70.